



Radio-Holland USA B.V.

Member of the SAIT-RadioHolland Group

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8943 Gulf Freeway Houston, Texas 77017-7004
Tel: (713) 943-3325 Fax: (713) 943-3802 Tlx: 795438

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Office of the Secretary
Federal Communications Commission
To the attention of Mrs. Marilyn J. McDermott
Associate Managing Director-Operations
Washington D.C. 20554

93-297

Houston, 31 Jan 1994

RE: Proposed rulemaking FCC 93-502

Dear Sir, Madam,

Radio Holland USA B.V. (AAIC-US03) thanks you for the opportunity to respond to your mentioned notice of proposed rule-making.

We find the proposed rules quite important as they establish, for the reference and guidance of all parties concerned, a clearer definition of the Accounting Authorities, their status, their role and their rights and obligations. These rules also provide the appropriate basis for determining the necessary eligibility requirements, standards and procedures.

As one of the Accounting Authorities with interim FCC certification (AAIC "US03"), and one of the acknowledged world leaders in this industry, we welcome the proposed rulemaking and the underlying intent of defining a code of conduct for Accounting Authorities.

In conformity with our letter of 4 Mar 1985 as well as the letter of Sep 12, 1990 from your Gettysburg office, we would kindly request you to update your records. Our name and address is as follows:

Radio Holland USA B.V.
8943 Gulf Freeway
Houston, TX 77017

We would kindly request you to inform us at which date the rules become applicable, so we can send you our application form to continue our AAIC-US03 operations.

Yours sincerely,

W. Bon
Commercial Mgr
& Assist. to G.M.

- ENCLOSURES

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RADIO HOLLAND USA B.V. (AAIC- US05)

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Comments on the FCC Notice of Proposed Rulemaking (Document FCC 93-502).

Eligibility.

@ 3.10 Basic Qualifications:

In the interest of all concerned, we would strongly recommend that prior relevant experience and sound track record, especially financial, be made a mandatory requirement in certifying Accounting Authorities. The purpose of the rulemaking would, in our opinion, be defeated by certifying entities with no expertise in the field.

Consultation of selected US coast stations and foreign administrations involved in international telecommunications settlements might be of interest to the Commission in assessing the qualifications and actual performance of Accounting Authorities seeking certification.

Application Procedures.

@ 3.22 Number of accounting authority identification codes per applicant:

We assume that with the word "entity", the Commission means "company".

@ 3.28 Denial of Privilege.

General remarks:

We wish to draw the Commission's attention to the consequences of non-approval of an application from an Accounting Authority already operating under an interim FCC certification for reasons not directly connected to its qualifications, financial status or compliance with current international rules and regulations.

The non-approval might not only affect this Accounting Authority's future business but also, and more importantly, US interests. For ship-owners whose Accounting Authority is denied, it might be detrimental from an operational point of view as the communication from/ to vessels will cease. Also from a financial standpoint a compulsory change of AAIC might involve huge costs for (US based) shipowners/operators. For certain countries of registration the AAIC number is mentioned on the vessel radio station license. A change of the radio station license might cost up to \$ 500.00 per vessel for certain flags/countries. For shipowners with a large fleet, this will cost a fortune.

Extension of "Grandfather rule":

We propose that, in case of non-approval of an application of an interim AAIC, the Commission would extend the "Grandfather rule" with a procedure as described below:

If for any reason the Commission intends to refuse to grant an application of an interim Accounting Authority to become a permanent Accounting Authority, we propose that before that refusal becomes final, both the Commission and the interim AAIC will meet to discuss the grounds for the mentioned refusal. If after this discussion the interim AAIC fails to satisfy the Commission's requirements within a 6 (six) month period, the Commission has the right to deny the status of permanent AAIC to the interim AAIC.

Consequences for non-US flagged vessels:

The proposed rules define an adequate regulatory framework for Accounting Authorities in general, however, we do not believe their implementation should hamper the capability of those Accounting Authorities with an existing "US" AAIC to fulfil their commitments towards non-US flag ships which are not, directly or indirectly, under FCC jurisdiction.

Most of the major US interim AAIC's current settlement of operations concern US- as well as non-US-registered vessels. Most of those are owned or managed by US interest.

Settlement Operations.

@ 3.42 Location of processing facility:

In conformity with @ 3.11 (b) we agree that for US flag vessels the settlement of operations of a US AAIC must be performed within the USA.

@ 3.51 Cessation of operations: We propose that the Accounting Authority Certification would not automatically be canceled in case of any transfer or change of control of an Accounting Authority.

In stead, if there are strong reasons for this, the FCC might cancel the certification on a case to case basis, however, not before hearing and possibly auditing the new controlling entity.

After all, not only US flag vessels are influenced by this measure, but also the large quantity of foreign flag vessels, often owned by US interest.

The Commission should be aware of the fact that an automatic cancelation and new application by the new controlling entity might result in the risk that the new application can not be considered due to the "first-come, first-served" clause, as well as the limitation of total AAIC numbers -with or without- US-prefix.

General remarks and suggestions

AAIC Number:

We recommend that existing AAIC's if accepted for a permanent license, will receive the same AAIC number as they have in their interim status. This in order to avoid unnecessary administration changes and related extra costs for the authority as well as for the shipowner/ operators. (see also comment under @ 3.28)

Application form:

We propose to change: "address where settlements will actually be processed", into " address where settlements for US-flag vessels will be processed."
